

SECRET [REDACTED]

25X1

German Democratic Republic

25X1
FINANCIAL DIFFICULTIES OF THE GDR HEAVY INDUSTRY [REDACTED]

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As a result of the losses, the plants are in an extremely difficult financial position. This situation will grow worse in spite of all efforts because it will not be possible to get along with the planned funds, particularly in the Mansfeld Combine Wilhelm Pieck. HV Metallurgy had requested that the funds which were returned to the public treasury as not needed (14,506,000 DM) should be turned over, as price subsidy, to the HV Metallurgy.

The following plants are in serious financial difficulties: the Mansfeld Combine Wilhelm Pieck, the Riesa, Groeditz, and Hennigsdorf Steel and Rolling Mills and ~~Maxhuetten~~ the Maxhuetten. These difficulties are so serious that the five plants cannot meet their obligations to their suppliers; the first three plants are no longer sure to have sufficient funds available for wages. Therefore, it is requested that the losses be covered through subsidies. Beyond that, it is requested that the Mansfeld Combine Wilhelm Pieck receive a subsidy of at least 1,491 DM per ton of copper produced, effective 1 July 1951, to prevent recurrence of ~~such~~ huge losses ~~as occurred~~ during the second half of 1951.

HV Metallurgy requests urgent settlement of this matter since the Deutsche Notenbank (German Bank of Issue) will not grant any additional loans. Furthermore, growing losses will seriously affect the plant's solvency, thereby endangering the fulfillment of production orders.

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1952

SECRET [REDACTED]

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